

STATE OF MAINE
SECURITIES ADMINISTRATOR

In the matter of)
CREDIT SUISSE SECURITIES (USA)) Case No. 10-028
LLC.)
1 Madison Avenue, 9th Floor) **ADMINISTRATIVE CONSENT ORDER**
New York, New York 10010)
Respondent.)

WHEREAS, at all times relevant herein, the Respondent, CREDIT SUISSE SECURITIES (USA) LLC (hereinafter "Respondent Credit Suisse"), a limited liability company organized under the laws of the State of Delaware, has been and remains a securities dealer licensed with the State of Maine Office of Securities under the provisions of the Maine Uniform Securities Act, 32 M.R.S.A. §§ 16101 through 16702 (hereinafter "the Act"). In addition, Respondent Credit Suisse is a registered securities broker-dealer and an investment adviser covered under federal law offering brokerage and investment products and services to investors across the United States of America; and

WHEREAS, coordinated investigations of the activities of Respondent Credit Suisse and its affiliates in connection with its marketing and sales practices for investment products generally known as "auction rate securities" have been conducted by a multistate task force composed of members of the North American Securities Administrators Association Inc. (hereinafter "NASAA"); and

WHEREAS, Respondent Credit Suisse has cooperated with regulators conducting the investigations by responding to inquiries, providing documentary evidence and other materials, and providing regulators with access to facts relating to the investigations; and

WHEREAS, Respondent Credit Suisse has advised regulators of its agreement to resolve

1 the investigations relating to its marketing and sales practices to certain investors in auction rate
2 securities; and

3 WHEREAS, Respondent Credit Suisse without admitting or denying the Findings of Fact
4 or Conclusions of Law set forth in this Administrative Consent Order (the "Order"), agrees to take
5 certain actions described herein and to make certain payments; and

6 WHEREAS, Respondent Credit Suisse elects to permanently waive any right to a hearing
7 under 32 M.R.S.A. § 16604 and to judicial review under 32 M.R.S.A. § 16609 with respect to this
8 Order;

9 NOW, THEREFORE, the State of Maine Securities Administrator (the "Administrator"), as
10 administrator of the Act, hereby enters this Order:
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12 **I.**

13 **FINDINGS OF FACT**

14 1. Respondent Credit Suisse admits that its conduct in this matter is within the subject
15 matter jurisdiction of the Administrator and that it is personally subject to the jurisdiction of the
16 Administrator. Respondent Credit Suisse expressly waives any right to a hearing, the making of
17 findings of fact and conclusions of law, and all further proceedings before the Administrator to
18 which it may be entitled under the Act, or any other law. Respondent Credit Suisse expressly
19 waives all rights to seek judicial review or otherwise challenge the validity of this Order.
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21 2. Respondent Credit Suisse neither admits nor denies the Findings of Fact and
22 Conclusions of Law contained in this Order, and consents to the entry of this Order by the
23 Administrator.

24 **DEFINITIONS**

25 3. For the purposes of this Order:
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1 (a) "Auction rate securities" are long-term debt or equity instruments that include
2 auction rate preferred shares of closed-end funds, municipal auction rate bonds, and various asset-
3 backed auction rate bonds. Some auction rate securities products have maturity dates of 20 years
4 or longer; auction rate preferred shares of certain closed-end funds have no maturity date
5 whatsoever. While auction rate securities are all long-term instruments, one significant feature of
6 auction rate securities, which historically provided the potential for short-term liquidity, is that the
7 variable interest rates reset through a bidding process known as a Dutch auction that occurred in
8 varying increments, generally between seven (7) and forty-two (42) days. At a Dutch auction,
9 bidders generally state the number of auction rate securities they wish to purchase and the
10 minimum interest rate they are willing to accept. Bids are then ranked, from lowest to highest,
11 according to the minimum interest rate each bidder is willing to accept. The lowest interest rate
12 required to sell all of the auction rate securities available at auction, known as the "clearing rate,"
13 becomes the rate paid to all holders of that particular security until the next auction. If an auction
14 is successful, investors wishing to sell are able to exit the auction rate securities market on a short-
15 term basis. When there are not enough orders to purchase all of the auction rate securities being
16 sold, a "failed" auction occurs. If an auction fails, investors are required to hold all or some of
17 their auction rate securities until the next successful auction in order to liquidate their funds, or
18 they may attempt to sell those auction rate securities in a secondary market transaction, if such a
19 secondary market even exists and is functioning. Beginning in February 2008, the auction rate
20 securities market experienced widespread and repeated failed auctions.

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23 (b) "Individual Investor" means any natural person who purchased auction rate
24 securities from or through a Respondent Credit Suisse account prior to February 14, 2008, and also
25 includes:
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1 (i) legal entities acting as an investment vehicle for family members, including
2 but not limited to IRA accounts, Trusts, Family Limited Partnerships, and other legal
3 entities performing a similar function;

4 (ii) charities and non-profits; and

5 (iii) small- to medium-sized businesses with up to \$10 million in assets in
6 accounts with Respondent Credit Suisse, any of which purchased auction rate securities
7 from or through Respondent Credit Suisse prior to February 14, 2008. Notwithstanding any
8 other provision, "Individual Investor" does not include broker-dealers, banks, Registered
9 Investment Advisers, other investment firms or investment institutions regardless of
10 whether any of the foregoing were acting for their own account or as conduits for their
11 customers.
12

13 (c) "Institutional Investor" means any other legal entity not meeting the definition of
14 "Individual Investor" in paragraph I.3(b), above, and which purchased auction rate securities from
15 or through a Respondent Credit Suisse account.

16 (d) "Proceedings" include, but are not limited to, any meetings, interviews, depositions,
17 hearings, trials, grand jury proceedings, or any other proceedings.

18 (e) "The representative specified by NASAA" is the North Carolina Secretary of State
19 as Securities Administrator, or her lawfully authorized designee.

20 (f) All other words, terms, and phrases used in this Order shall have the usual and
21 ordinary meanings given to them in everyday speech, and are to be taken and understood in their
22 plain, ordinary, and popular sense.
23

24 EVENTS

25 4. Respondent Credit Suisse was an underwriter of a limited number of offerings of
26 auction rate securities. Respondent Credit Suisse also acted as a manager for certain issues of

1 auction rate securities. When acting as a sole manager, Respondent Credit Suisse was the only
2 firm that could submit bids into the auction on behalf of its clients and/or other broker-dealers who
3 wanted to buy and/or sell any auction rate securities. When acting as a co-lead manager,
4 Respondent Credit Suisse and the other co-lead managers could directly submit orders into the
5 auction, while other broker-dealers were able to submit orders on behalf of their clients and on
6 their own behalf into the auction through a co-lead manager. Respondent Credit Suisse received
7 revenue in connection with auction rate securities, including underwriting fees representing a
8 percentage of total issuance and a fee for managing the auctions.

9
10 5. From time to time over many years, Respondent Credit Suisse submitted support
11 bids, or purchase orders, for some or all of an auction rate security issue for which it acted as the
12 sole or lead manager. Support bids were Respondent Credit Suisse's proprietary orders that would
13 be filled, in whole or in part, if there was otherwise insufficient demand in an auction. When
14 Respondent Credit Suisse purchased auction rate securities through support bids, those auction rate
15 securities were then owned by Respondent Credit Suisse and were recorded on Respondent Credit
16 Suisse's balance sheet.

17 6. Because investors could not ascertain how much of an auction was filled through
18 proprietary bids of Respondent Credit Suisse and other firms acting as sole or lead managers, they
19 could not determine if auctions were clearing because of normal marketplace demand, or because
20 Respondent Credit Suisse and other firms acting as lead managers were supporting the auctions
21 through their own proprietary purchase orders. Generally, investors also were not aware of the
22 extent to which the auction rate securities market was dependent upon Respondent Credit Suisse's
23 and other broker-dealers' use of support bids for its successful operation. While Respondent Credit
24 Suisse could track its own inventory as a measure of the supply and demand for auction rate
25 securities for which it was a sole, lead, or co-lead manager, ordinary investors had no comparable
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1 ability to assess the operation of the market. There was no way for those investors to monitor
2 supply and demand in the market or to assess when broker-dealers might decide to stop supporting
3 the market, which could cause numerous and repeated auction failures.

4 7. In August 2007, the credit crisis and other deteriorating market conditions strained
5 the auction rate securities market. Some institutional investors withdrew from the market,
6 decreasing demand for auction rate securities.

7 8. The potential for a market dislocation should have been evident to Respondent
8 Credit Suisse. In those auctions where Respondent Credit Suisse was a lead manager, Respondent
9 Credit Suisse's support bids filled the increasing gap between the supply of and the demand for
10 auction rate securities, maintaining the impression that the auction process was functioning. From
11 Fall 2007 until February 2008, demand for auction rate securities continued to erode and
12 Respondent Credit Suisse's inventory of auction rate securities grew. Respondent Credit Suisse
13 was aware of increasing strains on the auction rate securities market and increasingly questioned
14 the viability of the auction rate securities market. On January 28, 2008, Respondent Credit Suisse
15 provided written disclosure of these increasing risks of owning or purchasing auction rate securities
16 to its customers; prior to that date, certain of its representatives did not fully disclose those
17 increasing risks to certain of their clients.
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19 9. In February 2008, Respondent Credit Suisse and other broker-dealers stopped
20 supporting the auctions. Without the benefit of support bids, the auction rate securities market
21 collapsed, leaving investors who thought they were buying liquid, short-term investments instead
22 holding long-term or perpetual securities that they were unable to sell at par value.
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24 10. In certain instances, Respondent Credit Suisse representatives told certain of the
25 firm's customers that auction rate securities were liquid investments that were alternatives to
26 money market funds as part of a strategy for cash management. Specifically, certain employees

1 acting on behalf of Respondent Credit Suisse represented to certain investors that auction rate
2 securities were highly liquid, highly rated alternatives to money market investments and other
3 cash-equivalent investments.

4 11. In the context of the offer and sale of auction rate securities, the failure of certain
5 employees acting on behalf of Respondent Credit Suisse to adequately state complete facts
6 concerning auction rate securities constituted a violation of 32 M.R.S.A. § 16412(4)(M).

7 12. A number of Maine investors purchased auction rate securities from Respondent
8 Credit Suisse during the time specified in this Order.

9 13. Respondent Credit Suisse, by failing reasonably to supervise its licensed salesmen
10 under the Act, as described in these Findings of Fact, has violated 32 M.R.S.A. § 16412(4)(I).

11 **ACTION NECESSARY TO PROTECT PUBLIC**

12 14. Action by the Administrator to halt further conduct by Respondent Credit Suisse in
13 violation of the Act is necessary and appropriate in the public interest and for the protection of
14 investors, and is consistent with the purposes fairly intended by the policy and provisions of the
15 Act.
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17 15. The undersigned Respondent Credit Suisse agrees that this Order contains,
18 constitutes, and embodies the entire agreement between the undersigned, there being no agreement
19 of any kind, verbal or otherwise, which varies, alters, or adds to this Order; and that this Order
20 supersedes any prior communication, understanding, or agreement, whether written or oral,
21 concerning the subject matter of this Order.

22 16. The undersigned Respondent Credit Suisse agrees that the presentation of this Order
23 to the Administrator without the undersigned Respondent Credit Suisse or any counsel for
24 Respondent Credit Suisse being present shall not constitute an improper *ex parte* communication
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1 between the Administrator and any member of the staff of the Maine Office of Securities or
2 counsel for the Maine Office of Securities.

3 17. Respondent Credit Suisse, by execution of this Order, affirmatively states that it has
4 freely agreed to the signing of this Order, and that no threats, promises, representations,
5 inducements, or offers of any kind, other than as stated in this document, have been made by the
6 Administrator or any member of the staff of the Maine Office of Securities, or any agent or
7 employee of the Maine Office of Securities in connection with the signing of this Order.

8 18. Based upon the foregoing Findings of Fact, and consistent with the consent of the
9 Respondent Credit Suisse, the Administrator makes the following:
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11 II.

12 CONCLUSIONS OF LAW

13 1. The Administrator has jurisdiction over the subject matter of securities transactions
14 with persons in Maine and the person of Respondent Credit Suisse under the Act.

15 2. As described in the Findings of Fact, Respondent Credit Suisse violated 32
16 M.R.S.A. § 16412(4)(I) by its failure reasonably to supervise certain of its licensed salesmen in
17 their communication of material information concerning auction rate securities.

18 3. By reason of the matters described in the Findings of Fact, Respondent Credit
19 Suisse through the activities of certain of its licensed salesmen violated 32 M. R.S.A. §
20 16412(4)(M) by failing to adequately state complete facts concerning auction rate securities.
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22 4. Action by the Administrator against Respondent Credit Suisse pursuant to the cited
23 provisions of the Act is necessary and appropriate in the public interest and for the protection of
24 investors, and is consistent with the purposes fairly intended by the policy and provisions of the
25 Act.
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III.

ORDER

On the basis of the Findings of Fact, Conclusions of Law, and Respondent Credit Suisse's consent to the entry of this Order,

IT IS HEREBY ORDERED:

1. This Order terminates the investigation by the Administrator with respect to Respondent Credit Suisse's marketing and sale of auction rate securities to Individual Investors. However, nothing herein limits the ability of the Administrator, individually or jointly with other States, in pursuing any investigation with respect to any individual concerning Respondent Credit Suisse's marketing and sale of auction rate securities, whether that individual is associated with Respondent Credit Suisse or otherwise; and specifically excluded from and not covered by this paragraph are any claims by the Administrator arising from or relating to the Order provisions contained herein.

2. This Order is entered into solely for the purpose of resolving the previously referenced multistate investigation, and is not intended to be used for any other purpose.

3. Respondent Credit Suisse will CEASE AND DESIST from violating the Act and will comply with the provisions of the Act.

4. Within ten (10) days following the entry of this Order, by check made payable to the Treasurer for the State of Maine and remitted to the Maine Office of Securities, Respondent Credit Suisse shall pay the sum of thirty one thousand, four hundred ninety one dollars and ninety three cents (\$31,491.93), which amount constitutes Maine's allocated share of the \$15 million total settlement payment that Respondent Credit Suisse has agreed to make to those states and territories that enter administrative or civil consent orders approving the terms of the NASAA settlement and to the State of New York, allocated according to a formula determined and set by NASAA and the

1 State of New York.

2 5. In the event another state securities regulator determines not to accept Respondent
3 Credit Suisse's offer of settlement and does not enter an administrative or civil consent order
4 approving the terms of the NASAA settlement, the total amount of the State of Maine's allocated
5 payment shall not be affected, and shall remain at thirty one thousand, four hundred ninety one
6 dollars and ninety three cents (\$31, 491.93).

7 6. Respondent Credit Suisse shall not claim, assert, or apply for a tax deduction or tax
8 credit with regard to any state, federal, or local tax for any administrative monetary payment that
9 Respondent Credit Suisse shall pay pursuant to this Order.

10 7. Respondent Credit Suisse shall fully and fairly comply with all of the following
11 requirements:
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13 A. As soon as practicable after September 23, 2008, Respondent Credit Suisse
14 will have offered to purchase at par auction rate securities that since February 14, 2008,
15 were not successfully auctioning from Individual Investors who purchased those auction
16 rate securities from or through a Respondent Credit Suisse account prior to February 14,
17 2008;

18 B. Respondent Credit Suisse will have purchased such securities from investors
19 who accepted this offer prior to December 11, 2008, by that date;

20 C. Respondent Credit Suisse shall have kept such offer open until December
21 31, 2009, and promptly will have purchased such securities from any Individual Investor
22 who accepted the offer between December 11, 2008, and December 31, 2009;

23 D. Respondent Credit Suisse promptly shall have provided notice to customers
24 of the settlement terms publicly announced on September 16, 2008, and Respondent Credit
25 Suisse promptly will have established a dedicated telephone assistance line, with
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1 appropriate staff, to respond to questions from customers concerning the terms of the
2 settlement;

3 E. No later than December 11, 2008, any Individual Investor that Respondent
4 Credit Suisse could reasonably identify who sold auction rate securities in a Credit Suisse
5 account below par between February 14, 2008, and September 16, 2008, will have been
6 paid by Respondent Credit Suisse the difference between par and the price at which the
7 Individual Investor sold those auction rate securities;

8 F. No later than December 11, 2008, Respondent Credit Suisse will have
9 notified all Individual Investors that a public arbitrator (as defined by section 12100(u) of
10 the *NASD Code of Arbitration Procedure for Customer Disputes*, effective April 16, 2007),
11 under the auspices of the Financial Industry Regulatory Authority ("FINRA"), was
12 available for the exclusive purpose of arbitrating any Individual Investor's consequential
13 damages claim. Arbitration shall be conducted by public arbitrators and Respondent Credit
14 Suisse will pay all applicable forum and filing fees. Any Individual Investors who choose
15 to pursue such claims shall bear the burden of proving that they suffered consequential
16 damages and that such damages were caused by investors' inability to access funds
17 consisting of investors' auction rate securities holdings in Credit Suisse accounts.
18 Respondent Credit Suisse shall be able to defend itself against such claims; provided,
19 however, that Respondent Credit Suisse shall not contest in these arbitrations liability
20 related to the sale of auction rate securities; and further provided that Respondent Credit
21 Suisse shall not use as part of its defense an Individual Investor's decision not to borrow
22 money from Respondent Credit Suisse. Punitive damages shall not be available in the
23 arbitration proceedings;

24 G. Respondent Credit Suisse shall endeavor to work with issuers and other
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1 interested parties, including regulatory and governmental entities, to expeditiously provide
2 liquidity solutions for Institutional Investors;

3 H. Beginning December 11, 2008, and then quarterly after that, Respondent
4 Credit Suisse shall have submitted a written report to the representative specified by
5 NASAA outlining the efforts in which Respondent Credit Suisse has engaged and the
6 results of those efforts with respect to Respondent Credit Suisse's Institutional Investors'
7 holdings in auction rate securities;

8 I. Respondent Credit Suisse shall have conferred, as requested, with the
9 representative specified by NASAA no less frequently than quarterly to discuss Respondent
10 Credit Suisse's progress to date;

11 J. Such quarterly reports will have continued until no later than December 31,
12 2009;

13 K. Following every quarterly report, the representative specified by NASAA
14 shall have advised Respondent Credit Suisse of any concerns and, in response, Respondent
15 Credit Suisse shall have discussed with the representative specified by NASAA how it
16 plans to address any such concerns;

17 L. Respondent Credit Suisse shall have made its best efforts to identify
18 Individual Investors who took out loans from Respondent Credit Suisse, between February
19 14, 2008, and December 11, 2008, that were secured by auction rate securities that were not
20 successfully auctioning at the time the loan was taken out from Respondent Credit Suisse,
21 and who paid interest associated with the auction-rate-securities-based portion of those
22 loans in excess of the total interest and dividends received on the auction rate securities
23 during the duration of the loan. Respondent Credit Suisse shall have reimbursed such
24 customers for the excess expense, plus reasonable interest, of the loan. Such
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1 reimbursement shall have occurred no later than March 31, 2009. This paragraph does not
2 apply to margin loans;

3 M. Respondent Credit Suisse shall, upon request by the Administrator, provide
4 all documentation and information reasonably necessary for the Administrator to verify
5 compliance with this Order;

6 N. Respondent Credit Suisse shall not take any action, or make or permit to be
7 made any public statement, denying, directly or indirectly, any finding in this Order or
8 creating the impression that this Order is without factual basis. Nothing in this paragraph
9 affects Respondent Credit Suisse's (a) testimonial obligations; or (b) right to take legal or
10 factual positions in defense of litigation or other legal proceedings to which the
11 Administrator is not a party; and
12

13 O. Respondent Credit Suisse shall cooperate fully and promptly with the
14 Administrator and shall use its best efforts to ensure that all of the current and former
15 officers, directors, trustees, agents, members, partners, and employees of Respondent Credit
16 Suisse (and of any of Respondent Credit Suisse's parent companies, subsidiaries, or
17 affiliates) cooperate fully and promptly with the Maine Office of Securities in any pending
18 or subsequently initiated investigation, litigation, or other proceeding relating to auction
19 rate securities and/or the subject matter of this Order. Such cooperation shall include,
20 without limitation, and on a best efforts basis:
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22 (1) production, voluntarily and without service of subpoena, upon the
23 request of the Maine Office of Securities, of all documents or other tangible
24 evidence requested by the Maine Office of Securities and any compilations or
25 summaries of information or data that the Maine Office of Securities requests that
26 Respondent Credit Suisse (or Respondent Credit Suisse's parent companies,

1 subsidiaries, or affiliates) prepare, except to the extent such production would
2 require the disclosure of information protected by the attorney-client and/or work
3 product privileges;

4 (2) without the necessity of a subpoena, having the current (and making
5 all reasonable efforts to cause the former) officers, directors, trustees, agents,
6 members, partners, and employees of Respondent Credit Suisse (and of any of
7 Respondent Credit Suisse's parent companies, subsidiaries, or affiliates) attend any
8 proceedings, in Maine or elsewhere, at which the presence of any such persons is
9 requested by the Maine Office of Securities, and having such current (and making
10 all reasonable efforts to cause the former) officers, directors, trustees, agents,
11 members, partners, and employees answer any and all inquiries that may be put by
12 the Maine Office of Securities to any of them at any proceedings or otherwise,
13 except to the extent such production would require the disclosure of information
14 protected by the attorney-client and/or work product privileges;
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16 (3) fully, fairly, and truthfully disclosing all information and producing
17 all records and other evidence in its possession, custody, or control (or the
18 possession, custody, or control of Respondent Credit Suisse's parent companies,
19 subsidiaries, or affiliates) relevant to all inquiries made by the Maine Office of
20 Securities concerning the subject matter of this Order, except to the extent such
21 inquiries call for the disclosure of information protected by the attorney-client
22 and/or work product privileges; and
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24 (4) making outside counsel reasonably available to provide
25 comprehensive presentations concerning any internal investigation relating to all
26 matters in this Order and to answer questions, except to the extent such

1 presentations or questions call for the disclosure of information protected by the
2 attorney-client and/or work product privileges.

3 8. The cooperation provisions set forth in Paragraph III.7.O, above is not intended, nor
4 is it a reasonable construction of such provisions, to require Respondent Credit Suisse (or any of its
5 parent companies, subsidiaries, or affiliates, or any of their current or former officers, directors, or
6 employees) to violate any foreign or domestic law or regulation in complying with those
7 provisions. Respondent Credit Suisse shall promptly notify the Maine Office of Securities if any
8 request under those cooperation provisions have been construed to require that Respondent Credit
9 Suisse (or any of its parent companies, subsidiaries, or affiliates, or any of their current or former
10 officers, directors, or employees) violate any foreign or domestic law or regulation. In such
11 circumstances, the Maine Office of Securities shall act in cooperation with Respondent Credit
12 Suisse towards reaching a resolution that would not require a violation of such laws or regulations.

14 9. In consideration of Respondent Credit Suisse's agreement to resolve the previously
15 referenced multistate investigation relating to its marketing and sales practices for auction rate
16 securities, and its agreement to fully comply with all the terms of this Order, the Administrator will
17 have refrained from taking legal action against Respondent Credit Suisse with respect to its
18 Institutional Investors until at least December 11, 2008, and will not seek additional monetary
19 payments from Respondent Credit Suisse relating to Respondent Credit Suisse's marketing and
20 sale of auction rate securities.

22 10. If payment is not made timely by Respondent Credit Suisse, or if Respondent Credit
23 Suisse defaults in any of its obligations set forth in this Order, the Administrator may vacate this
24 Order, at its sole discretion, upon ten (10) days notice to Respondent Credit Suisse and without
25 opportunity for administrative hearing, or may refer this matter for enforcement as provided in 32
26 M.R.S.A. §§16603 and 16604.

1 11. Nothing herein shall preclude the State of Maine, its departments, agencies, boards,
2 commissions, authorities, political subdivisions, and corporations (collectively, "State Entities"), other
3 than the Maine Office of Securities and then only to the extent set forth in Paragraphs III.1 and III.9,
4 and the officers, agents, or employees of State Entities from asserting any claims, causes of action, or
5 applications for compensatory, nominal and/or punitive damages, administrative, civil, criminal, or
6 injunctive relief against Respondent Credit Suisse in connection with the marketing and sale of
7 auction rate securities by Respondent Credit Suisse.

8 12. This Order is not intended to indicate that Respondent Credit Suisse or any of its
9 affiliates or current or former employees shall be subject to any disqualifications contained in the
10 federal securities law, the rules and regulations thereunder, the rules and regulations of self
11 regulatory organizations or various states' securities laws including any disqualifications from
12 relying upon the registration exemptions or safe harbor provisions. In addition, this Order is not
13 intended to form the basis for any such disqualifications.

14 13. For any person or entity not a party to this Order, this Order does not limit or create
15 any private rights or remedies against Respondent Credit Suisse including, without limitation, the use
16 of any e-mails or other documents of Respondent Credit Suisse or of others for auction rate securities
17 practices, limit or create liability of Respondent Credit Suisse, or limit or create defenses of or for
18 Respondent Credit Suisse to any claims.

19 14. This Order shall not disqualify Respondent Credit Suisse or any of its affiliates or
20 current or former employees from any business that they otherwise are qualified or licensed to
21 perform under applicable state law and this Order is not intended to form the basis for any
22 disqualification.
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1 15. This Order and any dispute related thereto shall be construed and enforced in
2 accordance with, and governed by, the laws of the State of Maine without regard to any choice of
3 law principles.

4 16. This Order shall be binding upon Respondent Credit Suisse and its affiliates, its
5 successors and assigns as well as the successors and assigns of relevant affiliates, with respect to
6 all conduct subject to the provisions above, and all future obligations, responsibilities,
7 undertakings, commitments, limitations, restrictions, events, and conditions under the above
8 provisions.

9 17. This Order contains, constitutes, and embodies the entire agreement between the
10 undersigned, there being no agreement of any kind, verbal or otherwise, which varies, alters, or
11 adds to this Order; and this Order supersedes any prior communication, understanding, or
12 agreement, whether written or oral, concerning the subject matter of this Order.

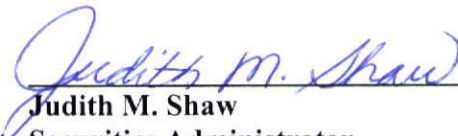
13 18. In the event that one or more provisions contained in this Order shall for any reason
14 be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or
15 unenforceability shall not affect any other provision of this Order.

16 19. By its consent to and execution of this Order, Respondent Credit Suisse
17 affirmatively represents that it freely agrees to the signing of this Order by the Administrator, and
18 that no threats, promises, representations, inducements, or offers of any kind, other than as stated in
19 this document, have been made by the State of Maine Securities Administrator, any member of the
20 staff of the Maine Office of Securities, or any agent or employee of the Maine Office of Securities
21 in connection with the negotiation and signing of this Order.
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20. This Order shall become final upon entry.

Dated this 8th day of July, 2010

BY ORDER OF:


Judith M. Shaw
Securities Administrator
State of Maine

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**CONSENT TO ENTRY OF FINAL ORDER
BY CREDIT SUISSE SECURITIES (USA) LLC**

Credit Suisse Securities (USA) LLC (hereinafter "Credit Suisse") hereby acknowledges that it has been served with a copy of this Administrative Consent Order ("Order") has read this Order, is aware of its right to a hearing and appeal in this matter, and has waived the same.

Credit Suisse admits the jurisdiction of the State of Maine Securities Administrator, neither admits nor denies the Findings of Fact and Conclusions of Law contained in this Order, and consents to entry of this Order by the State of Maine Securities Administrator.

Credit Suisse certifies that it has performed the obligations set forth under Paragraph III.7. of the Order that were to have occurred prior to the entry of the Order.

Credit Suisse states that no promise of any kind or nature whatsoever was made to it to induce it to enter into this Order and that it has entered into this Order voluntarily.

Credit Suisse agrees that it shall not claim, assert, or apply for a tax deduction or tax credit with regard to any state, federal, or local tax for any administrative monetary payment that Credit Suisse shall pay pursuant to this Order.

Pierre M. Gentin represents that he/she is the Managing Director of Credit Suisse and that, as such, has been authorized by Credit Suisse to enter into this Order for and on behalf of Credit Suisse, and that the foregoing statements are, to the best of his/her knowledge, true and correct.

Dated this the 24th day of June, 2010.

CREDIT SUISSE SECURITIES (USA) LLC

By: 

Title: Managing Director

STATE OF New York

COUNTY OF New York

SUBSCRIBED AND SWORN TO before me this 24th day of June, 2010.


Notary Public

My commission expires: May 18, 2014

JOHN J. MacDONALD
Notary Public, State Of New York
No. 01MA6007204
Qualified In New York County
Commission Expires May 18, 2014